

Cabinet

Held at:	Council Chamber - Civic Centre Folkestone
Date	Wednesday, 19 February 2020
Present	Councillors John Collier, Ray Field, Mrs Jennifer Hollingsbee (Vice-Chair), David Monk (Chairman), Stuart Peall, Tim Prater, Lesley Whybrow and David Wimble
Apologies for Absence	Councillors David Godfrey
Officers Present:	Andy Blaszkowicz (Director of Housing and Operations), Cheryl Ireland (Lead Accountant), Amandeep Khroud (Assistant Director), Tim Madden (Director of Transformation and Transition), Susan Priest (Head of Paid Service), Andrina Smith (Chief HR Officer), Charlotte Spendley (Director of Corporate Services) and Jemma West (Committee Service Specialist)

NOTE: All decisions are subject to call-in arrangements. The deadline for call-in is Friday 28 February 2020 at 5pm. Decisions not called in may be implemented on Monday 2 March 2020.

66. **Declarations of Interest**

There were no declarations of interest at the meeting.

67. **Minutes**

The minutes of the meeting held on 21 January were submitted, approved and signed by the Chairman.

68. **Transformation update**

The report gave an update to Cabinet on the Council's Transformation programme as it enters its delivery phase.

Proposed by Councillor Monk,
Seconded by Councillor Peall;

RESOLVED:

That report C/19/65 be received and noted.

(Voting figures: 8 for, 0 against, 0 abstentions).

REASONS FOR DECISION:

Cabinet was asked to agree the recommendations because:-

- (a) FHDC are currently in phase 3 (Implementation) of its ambitious transformation programme. The document provided the conclusions of work through phases 1 and 2 and updated expectations of redesigned Council services and organisational model supported by Cabinet at its meeting in June 2017 and approved by Council at its meeting of February 2018.

The report included details of the future operating model and the supporting organisation model, along with the high-level implementation strategy and governance. It also outlines that by adopting the refreshed ICT Strategy and making an investment in its ICT infrastructure and changing its business operations, the Council can achieve improvements in services for residents and deliver genuine efficiency without cutting services.

69. General Fund Budget and Council Tax 2020/21

The report set out the final General Fund budget and Council Tax requirement for 2020/21, including that part of the local tax covering district and parish services.

The report had also been considered by the Overview and Scrutiny Committee at their meeting on 18 February 2020. Their comments had been circulated to Cabinet Members at the meeting.

Proposed by Councillor Monk,
Seconded by Councillor Peall;

RESOLVED:

- 1. That report C/19/66 be received and noted.**
- 2. That the final 2020/21 General Fund budget, as set out at paragraph 4 of the report, be recommended to Full Council for approval.**
- 3. That a Council Tax requirement for 2020/21 of £13,044,673 be recommended to Full Council for approval.**

(Voting figures: 7 for, 0 against, 1 abstentions).

REASONS FOR DECISION:

Cabinet was asked to agree the recommendations because:

- a) The District Council's General Fund budget and Council Tax requirement must be approved to enable Full Council to set the budget and the council taxes for 2020/21 in accordance with the Local Government Finance Act 1992.

70. Housing Revenue Account Business Plan Update 2020 - 2050

The Council is required to produce a comprehensive Business Plan for its housing stock. The Business Plan is focused on improving the quality of the Council's landlord services and sets out the investment priorities for its existing Council housing stock. The document also provides details of the council's new build and acquisition housing programme. In view of policy changes implemented by the Government in 2018 to abolish the HRA borrowing cap, it was possible for the Council to increase its delivery target for new builds and the Business Plan was revised to deliver up to 300 homes by 2024/25. Following further reviews of the HRA financial position, its borrowing capacity and the Council's priorities the Business Plan has been updated to deliver a further 1,000 homes over the 10 year period from 2025/26 to 2034/35. The revised Business Plan also includes capital investment of £10m into existing housing stock. The report provided the details supporting the updated plan.

Proposed by Councillor Prater,
Seconded by Councillor Whybrow; and

RESOLVED:

That recommendation two be amended to read:
"To agree the Council should increase the number of homes delivered through the HRA new build and acquisition programme to 1,200 homes over the period from 2020/21 to 2034/35".

(Voting figures: 8 for, 0 against, 0 abstentions).

Proposed by Councillor Monk,
Seconded by Councillor Peall; and

RESOLVED:

- 1. That report C/19/67 be received and noted.**
- 2. That Cabinet recommend to Full Council to increase the number of homes delivered through its HRA new build and acquisition programme to 1,200 homes over the period from 2020/21 to 2034/35.**
- 3. That Cabinet recommend to Full Council invest £10m into existing housing stock.**
- 4. That an update to the text of the HRA Business Plan be considered by Full Council in June.**

(Voting figures: 8 for, 0 against, 0 abstentions).

REASONS FOR DECISION:

Cabinet was asked to agree the recommendations because:

- a) The Council is required by Government to have a comprehensive Business Plan in place for its Housing Stock and other assets within the HRA.
- b) The Council is required to properly plan the repayment of its debt within the HRA. It is essential that it has an effective Business Plan to properly resource its HRA activity.
- c) The Government has announced a number of policy changes in relation to the HRA accounts held by local authorities. It is vital that the council keeps its HRA Business Plan under ongoing review to ensure that it remains fit for purpose. These changes have significantly impacted on the scale of the council's new build and housing acquisition programme.

The meeting was adjourned to allow Full Council to consider the matter prior to the consideration of the item below

71. Housing management options appraisal - outcome of formal consultation

An options appraisal was completed in October 2019, reviewing the delivery of housing management services provided by East Kent Housing (EKH) on behalf of Canterbury City Council, Dover District Council, Folkestone and Hythe District Council and Thanet District Council. The four councils agreed that the preferred option for future service provision to the four councils' tenants and leaseholders is that it should become an in-house service, subject to consultation. This report sets out the outcomes from the formal consultation exercise undertaken with EKH tenants and leaseholders. It proposes that officers from across the four councils be instructed to negotiate ending the agreement with EKH and to make preparations for the housing management service to be brought in-house.

Proposed by Councillor Monk,
Seconded by Councillor Peall; and

RESOLVED:

1. That report C/19/68 be received and noted.
2. That having noted the results of the tenant and leaseholder consultation, the cost/benefit analysis and the risk analysis, it is agreed that the management of the council's housing stock be brought back in-house.
3. That the Director of Transformation and Transition, in consultation with the Portfolio Holder for Housing, Transport and Special Projects be authorised to negotiate and conclude a termination of the management agreement with EKH as soon as practicable.
4. That the Director of Transformation and Transition, in consultation with the Portfolio Holder for Housing, Transport and Special Projects be authorised to take such decisions as may be necessary to facilitate the

process of bringing the housing service in-house in discussion with the appropriate statutory officers.

(Voting figures: 8 for, 0 against, 0 abstentions).

REASONS FOR DECISION:

- EKH has experienced serious performance problems and health and safety non-compliance issues.
- Tenants and leaseholders have expressed their views clearly, that they would prefer their homes to be managed by the individual councils rather than retain the existing Arms-Length Management Organisation structure.
- It is in the best interests of tenants and leaseholders for the four councils to terminate the management agreement and transfer housing services back in-house.
- The integration of the housing management service with each council's remaining housing services would provide a more transparent and accountable structure for the housing service.